

*John B.*

# ANNUAL REPORT

YEAR ENDING NOVEMBER 30, 1966

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## NORTH ROCK EXPLORATIONS LIMITED

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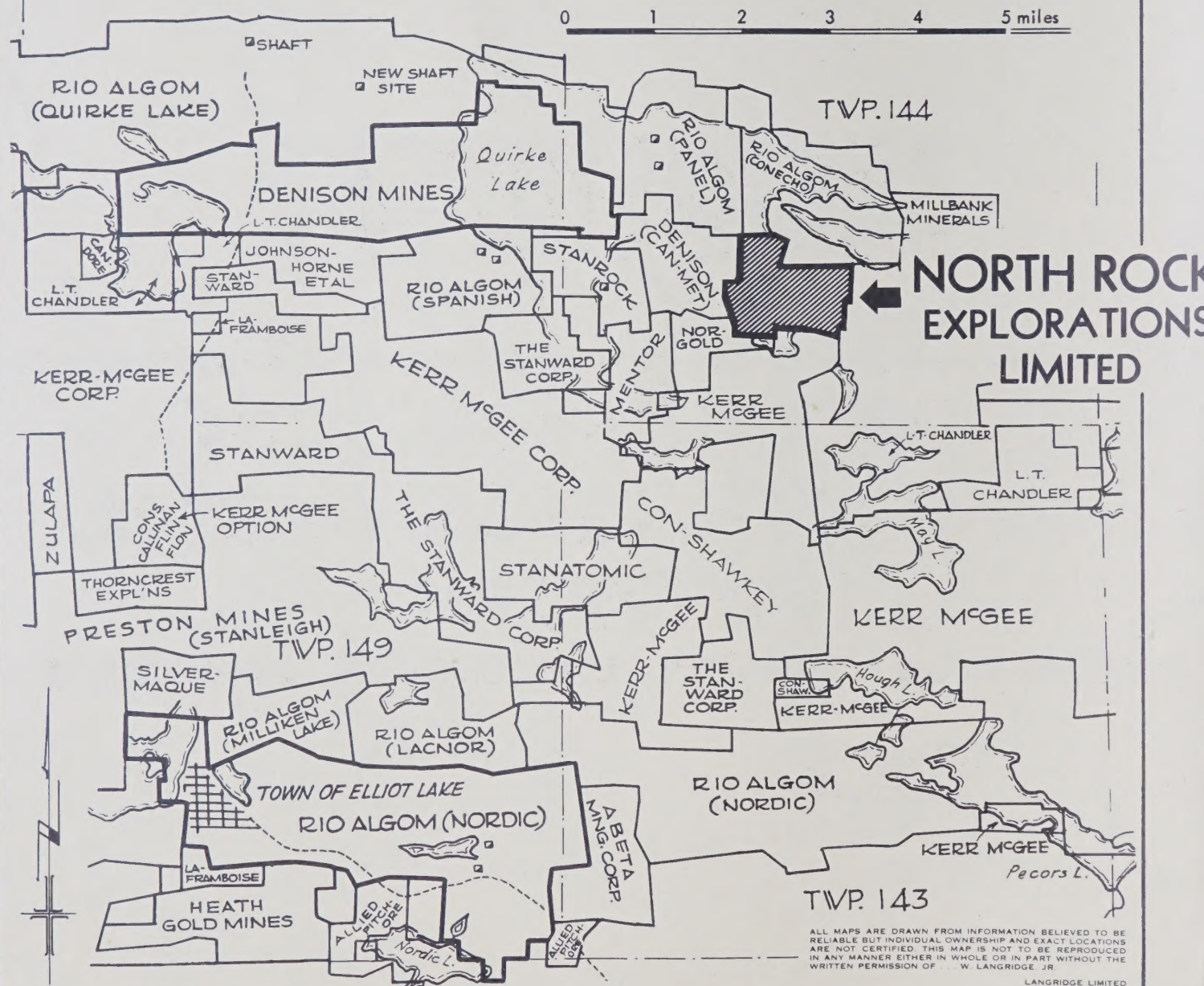


DIAMOND DRILLING IN TWP. 144 OF THE  
ELLIOTT LAKE - BLIND RIVER  
URANIUM MINING REGION  
OF NORTHERN ONTARIO

LISTED ON THE TORONTO STOCK EXCHANGE

ELLIOT LAKE MINING AREA  
ONTARIO

0            1            2            3            4            5 miles



ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. THIS MAP IS NOT TO BE REPRODUCED IN ANY MANNER EITHER IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF W. LANGRIDGE JR.

LANGRIDGE LIMITED





## NORTH ROCK EXPLORATIONS LIMITED

TORONTO 1, CANADA

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### THE PRESIDENT'S REPORT TO THE SHAREHOLDERS

DEAR FRIENDS:

As I write this, your Company is in the midst of what I believe may be the most important exploration project attempted in the past 10 years—the diamond drilling of your Company's 17 claims in the Elliot Lake-Blind River uranium mining camp of Ontario, adjoining east of the Denison Can-Met property.

The second hole in the new series at last report was down about 1,500 ft. This hole is being put down from the surface in the northern sector of the property and is aimed at intersecting the projected quartz pebble conglomerate beds around a depth of 2,000 ft. These are the beds which are the hosts for the uranium and thorium encountered in all other holes put down on this property—and the dominating geological feature of the whole Blind River camp. (Later in this report you will find a more detailed description of this property and its potential as estimated by D. W. Sullivan, P.Eng., our consulting geologist in this program.)

Shareholders will recall that your Company has held this property for more than 10 years. Back in the 1950s it was drilled in five locations and each hole returned uranium and thorium values from the conglomerate beds. (Although the R-2 result was described as negligible.)

The first hole in the new series was wedged from the old R-3 hole at 1,670 ft. to get another intersection or intersections of favorable uranium-bearing conglomerate cut in the R-3 hole. Sullivan reports that the wedge hole (R-3-W) intersected two conglomerate beds containing the typical fairly closely packed mineralized quartz pebble conglomerate east of the old R-3 intersection. The values obtained were as follows:

Upper Bed	U <sub>3</sub> O <sub>8</sub>	ThO <sub>2</sub>
2051.0' - 2052.8'	0.051%	0.088%
Lower Bed		
2061.3' - 2062.5'	0.029%	0.033%
2062.5' - 2063.9'	0.043%	0.051%
2063.9' - 2065.5'	0.024%	0.094%
2065.5' - 2067.0'	0.015%	0.010%
2067.0' - 2068.0'	0.017%	0.014%



On this result, Sullivan reported that the hole confirmed the presence of the uranium-bearing conglomerate and provides important data for future grade and tonnage calculations as well as for the location of the intersections for such purposes, and for planning future controlled holes. (The previous R-3 hole cut 0.09%  $U_3O_8$  and 0.07%  $ThO_2$  across 5.0 ft. from 2056.8' to 2061.8'. A value of 0.09% translates into 1.8 lbs. of uranium oxide per ton.)

The R-6 hole was started from surface in the northwest corner of the property (the claims contact the Rio Algom Panel Mine property at this point). It is 1,600 ft. north of the R-3 and 900 ft. north of the old R-5, which intersected 0.075% uranium oxide across 9.5 ft. of core length.

Sullivan has advised your Company that on completion of the R-6 hole, a comprehensive drill program could be planned over the large untested area to the east of holes R-3, R-5 and R-6 and west of hole R-1, R-2 and R-4.

Immediately to the west of the property is the Can-Met property of Denison Mines into which, according to the February issue of the CANADIAN MINING JOURNAL, Denison is now directing a drift. The Journal report speaks of Denison's "vast reserves" to the east.

### YTTRIUM VALUES PRESENT

Immediately south of your Company's claims is ground which recent maps indicate is now held by Kerr-McGee Corporation of the U.S., a leading uranium producer in that country. A recent NEW YORK TIMES despatch from Tokyo stated that Kerr-McGee was negotiating with Japanese interests to set up a \$50 million company to carry out exploration and development of the Kerr-McGee large holdings in the Elliot Lake Camp. On the west boundary of the Can-Met property, Stanrock Uranium Mines has been in production for some time.

A further point of interest has also been brought to light by our consultant D. W. Sullivan. He reports that the rejects from the samples taken from Hole R-3-W were assayed for *yttrium oxide* because of the fact that the producing mines in the Blind River area are recovering the  $Y_2O_3$  and  $ThO_2$  from the barren solutions after the recovery of uranium oxide.

The assays received show the presence of approximately half a pound of yttrium oxide per ton in both conglomerate beds. At the current price of \$10.00 per pound of  $Y_2O_3$  this could have a value of \$5.00 per ton.

### THE GROWING DEMAND FOR URANIUM

I doubt by now that it is necessary for me to dwell at any length here on the growing demand for uranium to meet the requirements of the tremendous increase in the development of nuclear power plants. W. M. Gilchrist, president of ELDORADO MINING & REFINING, the government-owned uranium mining and sales organization, has once again in his latest report to the House of Commons, pointed out the urgent need for maximum exploration effort to discover and develop as quickly as possible, new sources of uranium—the demand for which is expected to triple between 1970 and 1975. He said:

"Whether or not the earth's crust contains the amount of uranium required is not the problem. The need tonnage is there, but it must be located, mined, and processed into an acceptable fuel bundle. . . ."



He pointed out that the uranium mining industry of the Western world "will be hard pressed to meet the demand of the middle 1970s unless plans are initiated now to enlarge known reserves and to find entirely new ore-bodies. . . ."

A report in the April 10 issue of METAL MARKETS (Engineering & Mining Journal of New York) states that some 70% of all new electric power commitments made last year in the U.S. call for nuclear fuel.

Against this background, it can thus be seen that your Company's new drilling program is potentially one of great importance—and the information contained in the Sullivan report (which follows and to which I refer you) lends further emphasis to this point.

Your Company, it should also be pointed out, has entered into an agreement with Green Valley Mines Limited whereby that company is financing the cost of the drilling program in return for which they will receive a 1% interest in the property for each \$1,000 paid out, up to a maximum of 50% interest. Your Company, of course, is managing the operation.

### **OTHER INTERESTS AND ACTIVITIES**

Underground exploration and development work on the gold-silver-lead-zinc property of Golsil Mines Limited, in which your Company holds a substantial share position, has been interrupted by reason of a fire that completely destroyed the power house. We are informed that insurance adjusters are now at work to determine the full extent of the damage and Golsil has filed its claim. A small diesel unit on the property could be put into service until a new source of power is restored. It is the intention of the company, we are informed, to resume work as soon as possible. The shaft had been deepened and a new level established at 740 ft. Diamond drilling was being carried out on this new level and the 490 level, as well as drifting on the 490 and 740. Surface diamond drilling indicated 600,000 tons of gold-silver-lead-zinc ore and underground development was aimed at confirming actual tonnage.

Your Company has also been in lengthy negotiations with officials of the government of HAITI concerning certain mining concession in that country favorable for copper. These negotiations, I might say, are still very much alive and I am hopeful that before long they will open the way for your Company to undertake preliminary exploration, either on its own or with other mining companies.

Still held in abeyance is follow-up work on the claims adjoining Golsil Mines at Favourable Lake which are held as part of last year's Syndicate arrangement with Flint Rock Mines Ltd., and Norite Explorations Ltd. You will recall that three anomalous zones were outlined here, but further work has been deferred pending the Golsil Mines development.

We have given up our position in Ireland when diamond drilling results proved disappointing. Further investigation of the Crooked Pine Lake property in the Rainy River district of northwest Ontario also failed to turn up anything worthwhile pursuing. New properties are under constant review and it is the policy of your Company to maintain a consistent and persistent program of exploration.

### **ANNUAL MEETING OF SHAREHOLDERS**

Audited financial statement for the year ending November 30, 1966 is included for your consideration. As is customary at this time of year, we have called the Annual Meeting of shareholders to be held in Toronto

on Monday, May 29, 1967 and I hope there will be a good turn-out. It's possible we will have some further progress news to report on the uranium drilling program by that time. But in the event you cannot attend, a proxy form by which you may exercise your vote is enclosed, together with a self-addressed envelope for its return. The time and place of the meeting will be found in the accompanying Notice of Meeting.

If the drilling results on the Twp. 144 property continue favorably, this could be a very important year for your Company—and please be assured that as new developments of significance occur, shareholders will be informed as quickly as possible.

On behalf of the Board of Directors,

A. J. LEWIS, President

April 28, 1967



## **REAPPRAISAL AND DIAMOND DRILLING PROGRAM ON YOUR COMPANY'S ELLIOT LAKE CLAIMS**

In a detailed report dated Feb. 27, 1967, D. W. Sullivan, P.Eng., of Scope Mining and Exploration Consultants Limited has reappraised the North Rock Explorations' 17-claim group in Twp. 144 of the Elliot Lake-Blind River area. Mr. Sullivan bases his findings on personal experience, since he was also in charge of the previous drilling of this property in 1954-55 and again in 1957. The following material is from his Feb. 27 report:

The North Rock property is located on the North limb of a large fold at the southeast end of a very large area of folded uranium and thorium bearing Mississagi pebble conglomerates, Sullivan reports, which are mineralized with pyrite which have been developed and are presently producing uranium to the northwest at Denison Mines and Algom Uranium Mines, Quirke Lake property. Three other known deposits of uranium-bearing conglomerate are located between the two aforementioned mines and the North Rock property, he adds.

### **"VERY INTERESTING VALUES"**

The previous drilling in the 1950s consisted of five nearly vertical holes all approximately 2,000 ft. deep. All five, Sullivan reports, cut radioactive mineralized quartz pebble conglomerate "typical of the Blind River area and carrying very interesting uranium and thorium values".

On the geology of the property, Sullivan writes: "A study of the numerous rock outcrops that occur on the property indicates that the property is underlain by folded Huronian rocks of the Bruce Group in the major Quirke syncline. The five drill holes (R-1 to R-5 inclusive) indicated that the Bruce Group are underlain by the Mississagi Formation consisting of feldspathic quartzites, arkose argillites, siltstones of the Middle or Lower Mississagi. Below these rocks are the Lower Mississagi feldspathic quartzites and the basal quartz pebble conglomerate which is often uranium bearing and mineralized with sulphides, mainly pyrite, in the Blind River area."

In his Summary and Conclusions, Sullivan writes:

"Typical mineralized uranium and thorium-bearing quartz pebble conglomerate beds are known to be present on the property of North Rock Explorations Limited and have indicated the presence of values very close to the average for the material being presently mined in the Blind River area."

On this appraisal, he recommended the diamond drilling program which the company has now launched and which is in progress on the property.

**NORTH ROCK EXPLORATIONS LIMITED**

# North Rock Explorations Limited

(Incorporated under the laws of the Province of Ontario)

## BALANCE SHEET

As at November 30, 1966

### ASSETS

#### Current assets

Cash .....	\$ 13,290.55	
Marketable securities, at cost (market value \$10,365.00) .....	6,073.64	
Miscellaneous receivables .....	534.61	\$ 19,898.80

#### Investment in Golsil Mines Limited (Note 1)

Shares, at cost less proceeds from sale .....	\$ 20,001.50	
Advances .....	12,552.20	32,553.70

#### Fixed assets

Mining claims at valuation of \$12,000.00 attributed to 200,000 shares of capital stock (as presently constituted) issued for claims plus \$643.00 paid in cash (Note 2) .....	\$ 12,643.00	
One-third interest in mining claims, at cost .....	51.84	
Mining claims at written down value .....	1.00	
	\$ 12,695.84	
Office furniture and equipment, at written down value .....	1.00	12,696.84

#### Deferred expenditures

Exploration, development and administrative expenditures, per statement .....		89,611.38
		<u>\$154,760.72</u>

### LIABILITIES

#### Current liabilities

Accounts payable .....		\$ 6,177.71
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#### Shareholders' equity

##### Capital stock

##### Authorized:

3,000,000 shares, par value \$1.00 each

##### Issued and fully paid:

1,455,000 shares .....	\$1,455,000.00	
Less—discount thereon .....	1,217,937.87	\$237,062.13

#### Contributed surplus — arising from the reduction of capital stock on January 28, 1963 .....

748,248.54

#### Deficit, per statement .....

985,310.67  
836,727.66

148,583.01

\$154,760.72

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors:

J. A. MURPHY, (Director)

A. J. LEWIS, (Director)

### Auditors' Report

To the Shareholders of

NORTH ROCK EXPLORATIONS LIMITED

We have examined the balance sheet of North Rock Explorations Limited as at November 30, 1966 and the statements of deferred exploration, development and administrative expenditures and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of deferred exploration, development and administrative expenditures and deficit present fairly the financial position of the company as at November 30, 1966 and its activities for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
April 14, 1967.

FISHER, NISKER & COMPANY,  
Chartered Accountants.



# North Rock Explorations Limited

## DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

For the Year Ended November 30, 1966

### Exploration and development

Diamond drilling .....	\$ 10,250.11	
Engineering fees and expenses .....	537.50	
Travel and transportation .....	1,959.14	
Government fees, licenses and taxes .....	879.15	
Trenching and blasting .....	672.80	
Miscellaneous .....	591.96	\$ 14,890.66

### Administrative

Legal and audit fees .....	\$ 1,177.00	
Transfer agent's fees and expenses .....	2,312.80	
Shareholders' information, including meeting costs .....	903.24	
Stock exchange fee .....	100.00	
Directors' fees .....	250.00	
Miscellaneous, including telephone .....	989.80	
	\$ 5,732.84	
Less—interest and dividends received .....	458.99	5,273.85

Total expenditures for the year .....	\$ 20,164.51
Balance deferred at December 1, 1965 .....	119,343.06
	<u>\$139,507.57</u>

Deduct—expenditures on mining claims and option abandoned —  
written off to deficit:

Price and Bristol Townships, Ontario .....	\$ 12,588.46	
Favourable Lake, Ontario (160 claims) .....	1,454.24	
Bathurst, New Brunswick .....	12,894.66	
Desjardin Township, Quebec .....	4,437.79	
Weaver Township, Ontario (claims under option) .....	7,694.67	
Investigation of property prospects .....	403.31	
Prospecting license in Ireland .....	10,423.06	49,896.19

Balance deferred November 30, 1966 .....	<u>\$ 89,611.38</u>
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## SUMMARY OF DEFERRED EXPENDITURES

### Exploration and development

Blind River, Ontario .....	\$ 69,685.45	
Thunder Bay, Ontario .....	36.75	
Favourable Lake, Ontario (24 claims) .....	12,877.77	\$ 82,599.97

Administrative .....		7,011.41
		<u>\$ 89,611.38</u>

# North Rock Explorations Limited

## STATEMENT OF DEFICIT For the Year Ended November 30, 1966

Balance November 30, 1965 .....				\$780,799.25
<b>Additions during year</b>				
Cost of mining claims and option abandoned .....	\$ 10,289.72			
Prospecting license in Ireland, abandoned .....	1.00			
		<u>\$ 10,290.72</u>		
Exploration and development expenditures incurred thereon .....	\$ 38,296.19			
Administrative expenditures apportioned thereto ....	<u>11,600.00</u>	<u>49,896.19</u>	<u>60,186.91</u>	
				<u>\$840,986.16</u>
<b>Deductions during year</b>				
Profit on sale of marketable securities .....				4,258.50
Balance November 30, 1966 .....				<u><u>\$836,727.66</u></u>

## NOTES TO FINANCIAL STATEMENTS November 30, 1966

NOTE 1 — By an agreement dated December 11, 1962 the company granted a broker-dealer an option to purchase all or any part of 850,000 shares at 10¢ per share of Golsil Mines Limited held by the company. This broker-dealer is acting as the agent for Golsil Mines Limited in the sale of its capital stock. The aforementioned option is exercisable at the rate of one share for every three shares of Golsil Mines sold by the broker-dealer under the agency agreement. Pursuant to this option, the company sold 349,985 shares of Golsil Mines Limited to November 30, 1966 (114,625 shares sold during the year ended November 30, 1966).

At November 30, 1966 the company held 750,015 shares (255,015 free shares and 495,000 escrowed shares) of Golsil Mines Limited.

Subsequent to the balance sheet date (to April 14, 1967) the company sold an additional 4,690 shares of Golsil Mines Limited.

NOTE 2 — Subsequent to the balance sheet date and pursuant to an agreement dated November 25, 1966, the company received \$26,000.00 from Green Valley Mines Limited to be expended on a program of exploration on the company's mining leases in Blind River, Ontario.

In consideration of the payment of \$26,000.00 Green Valley has earned an undivided 26% interest in the said mining leases and has the exclusive right to December 31, 1968 to provide additional exploration funds to earn an additional 1% interest for every \$1,000.00 paid to North Rock to carry out exploration on the said claims. Green Valley cannot earn a greater than 50% undivided interest in the claims.







## NORTH ROCK EXPLORATIONS LIMITED

55 YORK ST., TORONTO, ONTARIO - EM. 2-3283

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	Capitalization — Authorized — 3,000,000 shares par value \$1
	Issued — 1,455,000 shares

*directors*

A. J. Lewis, King, Ontario  
W. C. Arrowsmith, B.Sc., Willowdale, Ontario  
J. A. Murphy, Toronto, Ontario  
J. A. Gilbert, Toronto, Ontario

*officers*

A. J. Lewis, President.  
W. C. Arrowsmith, B.Sc., Vice-President.  
J. A. Murphy, Secretary-Treasurer.

*head office*

55 York Street, Toronto 1, Ontario.

*transfer agents*

The Sterling Trusts Corporation, Toronto, Ontario.

Shares Listed on the Toronto Stock Exchange, Toronto, Canada.